

# BUYING A USED CAR

## NOTICE OF WARRANTY REQUIRED

All used car dealers are required by federal law to tell buyers whether a used car is being sold with or without a warranty. Dealers must clearly display this information on a side window of each used car. The buyer's guide, or window form, should state either:

- "AS IS"—the vehicle does not have a warranty; and the seller is under no obligation for repairs.
- "WARRANTY"—the vehicle has a warranty, and the window form must list exactly what parts and services are covered and for how long. The buyer's guide becomes part of the contract at the time of the sale, and any guarantees listed on it override any restrictions in the contract. If the sale is in Spanish, the buyer's guide and all required contract terms must be in Spanish. If you don't see the buyer's guide in the car window, ask to see it before you agree to buy a car.

## PREPARATION IS OFTEN THE BEST DEFENSE AGAINST A RIP-OFF.

*Before you shop for a used car, try to decide what features you actually need to have and how much you can afford to pay. Then compare prices. They will vary a lot depending on the condition and age of the car. Newspaper ads can give you an idea of price ranges. And the public library has consumer publications—including the "Blue Books" used by dealers—that give reliable price ranges for used cars.*

## SHOPPING FOR A USED CAR

Many people sell their used cars themselves. Buying from the owner often means paying a lower price than you can get from a dealer. And buying from the owner means you can learn the car's complete repair history. Dealers, on the other hand, may offer services such as financing or warranties. Whether you buy directly from the owner or from a dealer, never buy a used car without:

- taking it for a test drive; and
- taking it to a mechanic of your choosing or having a mechanic visit the lot for a pre-sale inspection.

If the seller won't let you do either of these, do not buy the car.

## BUYING THE CAR

- Do not sign the contract until you have read and understood everything in it.
- Do not sign the contract if it has blank spaces.
- Do not sign the contract if it contains clauses or terms that are different from what the salesperson said to you. If the salesperson takes the contract to a superior "for approval," do not sign it until you make sure that no changes were made.

If they have made changes and you agree to them, make sure you and the seller both initial the new language.



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

## **RIGHTS AND RESPONSIBILITIES**

### **FINANCING**

If you are financing the car, make sure you understand:

- how much you pay and how often;
- how many payments you must make and what the total amount you pay will be;
- what the annual interest rate is. Texas law sets maximum interest rates for financing used cars. The rates vary according to the age of the car and the amount owed on it.

### **WARRANTIES**

Get all promises about service and guarantees in writing in the contract and in the final copy of the buyer's guide. If you were promised something but it is not in writing, do not sign the contract. If the seller offers a warranty, it must be in writing to be valid.

### **ODOMETER STATEMENT**

Federal law prohibits rolling back or changing the number of miles on an odometer. Texas law requires the seller of any used vehicle to state on the title assignment the total number of miles the vehicle has traveled. Make sure you get a copy of the odometer statement when you sign the contract.

### **INSURANCE**

Texas law requires you to have liability insurance. Whoever finances your car might offer to include the cost of the insurance in the loan, but it is your responsibility to have it.

The financier might also require you to have collision insurance to cover the balance owed on the car. If it is required and you do not have it, the financier can repossess your car. Before agreeing to allow the financier to obtain insurance for you, shop around.

Generally speaking, you will pay less for insurance that you purchase than you will for financier purchased insurance. Understand all of your insurance responsibilities before you sign a contract.

### **CERTIFICATE OF TITLE**

Under Texas law, the dealer is required to register and title the vehicle in your name within 20 working days, regardless of whether or not you owe money on the vehicle to the dealer or another financier. As soon as the vehicle is registered in your name, the dealer should provide you with the original receipt from the Tax Assessor-Collector's office. If you owe money on the car, a nonnegotiable duplicate original title will be mailed to you. The original will be mailed to your financier. If you pay in full for the car when you purchase it, you will be mailed the original title.

### **AFTER THE SALE**

Keep all payment receipts and other documents in a safe place. Do not keep them in the glove compartment. If the car is stolen, or if a dishonest dealer illegally repossesses the car, you will have no records of ownership or payment.

### **PAYMENTS**

Make your payments on time. If the dealer says that you can change the payment dates or pay late, get it in writing. Get a receipt for each payment. If possible, pay by money order or check, and keep the stubs or carbon.

If you fail to pay, Texas dealerships have the legal right to repossess your car without prior notice, even in the middle of the night. Keep your records safe and up-to-date for your protection.

## **CONTACT INFORMATION**

### **BY US MAIL**

Office of the Attorney General  
Consumer Protection Division/010  
P. O. Box 12548  
Austin, Texas 78711-2548

### **ON THE INTERNET**

[www.oag.state.tx.us](http://www.oag.state.tx.us)

### **BY TELEPHONE**

Main agency switchboard  
(512) 463-2100  
Consumer Protection Division  
1-800-621-0508 or  
Regional Offices  
Austin • 512-463-2070  
Dallas • 214-969-5310  
El Paso • 915-834-5800  
Houston • 713-223-5886  
Lubbock • 806-747-5238  
McAllen • 956-682-4547  
San Antonio • 210-224-1007

### **PUBLIC INFORMATION & ASSISTANCE**

(512) 463-2007  
(800) 252-8011